

U.S. Department of Labor

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Office of Labor-Management Standards
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June 28, 2010

Ms. Stacy Miller, Secretary Treasurer
State, County & Municipal Employees, AFL-CIO
Local Union 691
3346 Lynwood Drive
Altoona, PA 16602

LM File Number 514-483
Case Number: [REDACTED]

Dear Ms. Miller:

This office has recently completed an audit of State, County & Municipal Employees, Local Union 691 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you and President Sue Croft on June 24, 2010, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local Union 691's 2009 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local Union 691 did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$1,304.00. For example, President Sue Croft was reimbursed \$250.00 for refreshments for an out of state training event but the union did not maintain the necessary receipts to support the disbursement.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Lost Wages

Local Union 691 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$5,000. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that although Local Union 691 did maintain lost wage vouchers; the union did not specifically identify on the lost wage vouchers the union business conducted.

Based on your assurance that Local Union 691 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by Local Union 691 for fiscal year ending December 31, 2009, was deficient in the following area:

1. Disbursements to Officers (LM-3)

In Item 24 (All Officers and Disbursements to Officers), Local Union 691 erroneously reported lost time payments to officers under the category of Allowances and Other Disbursements. Lost time payments to officers must be reported under the category Gross Salary (before taxes and other deductions).

2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local Union 691 amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year.

Local Union 691 has since filed a copy of its constitution and bylaws.

I am not requiring Local Union 691 file an amended LM-3 report for 2009 to correct the deficient items, but Local Union 691 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to State, County & Municipal Employees, Local Union 691 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Ms. Stacy Miller
January 25, 2006
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Investigator

cc: Sue Croft, President